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RECORDATION NO. 72nd 1425

LAW OFFICES

NOV 18 1987 -3 55 PM

ROSS & HARDIES INTERSTATE COMMERCE COMMISSION
A PARTNERSHIP INCLUDING PROFESSIONAL CORPORATIONS

150 NORTH MICHIGAN AVENUE
CHICAGO, ILLINOIS 60601-7567

312-558-1000

TWX NUMBER
910-221-1154

TELECOPIER
312-750-8600

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RECORDATION NO. 72nd 1425

575 FIFTH AVENUE
NEW YORK, NEW YORK 10017-2470
212-949-7075

1090 VERMONT AVENUE, N.W.
WASHINGTON, D.C. 20005-4905
202-371-2200

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November 16, 1987

INTERSTATE COMMERCE COMMISSION

7-322A013

No. NOV 18 1987

Date

Fee \$ 10.00

VIA FEDERAL EXPRESS

Ms. Noreta R. McGee
Secretary
Interstate Commerce Commission
12th Street and Constitution Avenue, N.W.
Washington, D.C. 20423
ICC Washington, D. C.

Dear Ms. McGee:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11303(a) are one original executed copy and four counterpart originals of a Conditional Sale Agreement, dated as of October 1, 1987 (a primary document as defined in the Commission's Rules for the Recordation of Documents).

The names and addresses of the parties to the enclosed document are:

<u>Vendee</u>	CSX Transportation, Inc. 100 North Charles Street Baltimore, Maryland 21201
<u>Vendor</u>	The Pittsburgh & Lake Erie Railroad Company Commerce Court Building 4 Station Square Pittsburgh, Pennsylvania 15219

A description of the railroad equipment covered by the enclosed document is set forth in Exhibit A hereto.

Following is a short summary of the enclosed primary document:

Conditional Sale Agreement between CSX Transportation, Inc. (Vendee) and The Pittsburgh and Lake Erie Railroad Company (Vendor) dated October 1, 1987 and covering up to 1,075 railcars owned by The Pittsburgh and Lake Erie Railroad Company.

NOV 18 3 50 PM '87
100 OFFICE OF
THE SECRETARY
MOTOR VEHICLE UNIT

I also enclose for recordation pursuant to the provisions of 49 U.S.C. Section 11303(a) one original executed copy and four counterpart originals of an Agreement and Assignment, dated as of October 1, 1987, relating to the Conditional Sale Agreement described above.

The names and addresses of the parties to the enclosed Agreement and Assignment are:

<u>Vendee</u>	CSX Transportation, Inc. 100 North Charles Street Baltimore, Maryland 21201
<u>Vendor</u>	The Pittsburgh & Lake Erie Railroad Company Commerce Court Building 4 Station Square Pittsburgh, Pennsylvania 15219
<u>Assignee</u>	The Connecticut National Bank, as security trustee 777 Main Street Hartford, Connecticut 06115

Following is a short summary of the enclosed Agreement and Assignment:

Agreement and Assignment among The Pittsburgh and Lake Erie Railroad Company (Vendor), The Connecticut National Bank, as Security Trustee (Assignee), and CSX Transportation, Inc. (Vendee) relating to the assignment of rights under the Conditional Sale Agreement described below.

The primary document to which the Agreement and Assignment relates is the Conditional Sale Agreement described above. The equipment and identifying numbers are set forth on Exhibit A to the Conditional Sale Agreement.

Kindly return four stamped copies of the enclosed Conditional Sale Agreement and Agreement and Assignment in the envelope provided to T. Stephen Dyer, Esq., Ross & Hardies, 150 North Michigan Avenue, Chicago, Illinois 60601.

Enclosed is a check in the amount of \$10.00 payable to the order of the Interstate Commerce Commission covering the

Ms. Noreta R. McGee
November 16, 1987
Page 3

required recordation fee for the Conditional Sale Agreement and the Agreement and Assignment.

Very truly yours,



T. Stephen Dyer

TSD/lf

Enc.

cc: Robert W. Kleinman
John W. Humes, Jr.

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REGISTRATION NO. FORM 1225

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INTERSTATE COMMERCE COMMISSION

AGREEMENT AND ASSIGNMENT

Dated as of October 1, 1987

Among

THE PITTSBURGH AND LAKE ERIE RAILROAD COMPANY,

THE CONNECTICUT NATIONAL BANK, as Security Trustee,

and

CSX TRANSPORTATION, INC.

AGREEMENT AND ASSIGNMENT

AGREEMENT AND ASSIGNMENT, dated as of October 1, 1987, among THE CONNECTICUT NATIONAL BANK, as Security Trustee (the "Trustee") under a Master Agreement Regarding the Restructuring of Obligations of The Pittsburgh and Lake Erie Railroad Company, dated as of May 1, 1985, as amended (the "Master Agreement"), THE PITTSBURGH AND LAKE ERIE RAILROAD COMPANY (the "Seller") and CSX TRANSPORTATION, INC. (the "Buyer").

WHEREAS, the Seller and the Buyer have entered into a Conditional Sale Agreement, dated as of the date hereof (the "Conditional Sale Agreement"), covering the sale and delivery by the Seller and the purchase by the Buyer of the railroad cars (individually a "Car" and collectively the "Cars") described on Exhibit A to the Conditional Sale Agreement, on the terms and conditions set forth therein;

WHEREAS, pursuant to the requirements of the Master Agreement, Seller has entered into a Railcar Security Agreement dated as of May 1, 1985 (the "Security Agreement"), which was filed and recorded with the Interstate Commerce Commission on June 6, 1985 in accordance with the provisions of 49 U.S.C. § 11303 and assigned recordation number 14696, in which Seller granted a security interest in the Cars (and other collateral) to the Trustee as collateral security for the payment of the Obligations, as such term is defined in the Security Agreement;

WHEREAS, the Trustee is willing to release its security interest in the Cars in consideration of an assignment by the Seller of its rights under the Conditional Sale Agreement, and the Seller is willing to assign such rights to the Trustee; and

WHEREAS, the Trustee, as assignee of the rights of the Seller under the Conditional Sale Agreement, is willing to release all of its rights, title and interest in and to the Cars upon satisfaction of performance by the Buyer of all of its obligations hereunder and under the Conditional Sale Agreement.

NOW, THEREFORE, in consideration of the sum of One Dollar (\$1.00) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and the mutual covenants and conditions herein contained:

1. The Seller hereby assigns, transfers and sets over unto the Trustee, its successors and assigns, as additional collateral security under the Security Agreement, all of the Seller's right, title and interest in, to and under the Conditional Sale Agreement, including but not limited to:

(a) the security interest of the Seller in and to each Car accepted by the Buyer pursuant to the terms of the Conditional Sale Agreement and any other collateral security now or hereafter provided under the Conditional Sale Agreement;

(b) the immediate right to receive and collect any and all Installment Payments (as defined in the Conditional Sale Agreement) which may be or become due or owing under the Conditional Sale Agreement and any other sums payable to or receivable by the Seller under the Conditional Sale Agreement; and

(c) all of the Seller's rights, powers, privileges and remedies under the Conditional Sale Agreement including but not limited to the right to consent or fail to consent pursuant to the terms of the Conditional Sale Agreement.

In furtherance of the foregoing assignment and transfer, the Seller hereby authorizes and empowers the Trustee, its successors and assigns, in the Trustee's own name or in the name of the Trustee's nominee, or in the name of or as attorney hereby irrevocably constituted for the Seller, to ask, demand, sue for, collect, receive and enforce any and all sums to which the Trustee is or may become entitled under this Agreement and Assignment and to ask, demand, sue for and enforce compliance by the Buyer with the terms and agreements on its part to be performed under the Conditional Sale Agreement. The Buyer further agrees that the Trustee shall not, by virtue of this Agreement and Assignment, be or become subject to any liability or obligation of the Seller to the Buyer, whether arising under the Conditional Sale Agreement or otherwise.

2. Until written notice to the contrary from the Trustee, the Buyer agrees to make all payments required to be made by the Buyer to the Seller pursuant to the Conditional Sale Agreement to the Trustee for distribution in accordance with the provisions of the Master Agreement. Payments shall be made by wire transfer of immediately available funds to:

The Connecticut National Bank
777 Main Street
Hartford, Connecticut 06115
ABA No. 011900445
Attention: Michael Hopkins, Bond and Trust
Administration

Re: PLE Conditional Sale Agreement dated as of
October 1, 1987

3. Promptly upon completion of performance by the Buyer of all of its obligations under the Conditional Sale

Agreement and under this Agreement and Assignment, the Trustee agrees that it will execute and deliver releases, in forms reasonably acceptable to the Buyer and the Seller, of its right, title and interest in and to the Cars.

4. The Trustee acknowledges that the Buyer is entitled to quiet possession and enjoyment of the Cars, as more fully described in Section 14 of the Conditional Sale Agreement. If the Seller should default in any of its obligations to the Trustee under the Master Agreement or the Security Agreement, the Trustee agrees, so long as the Buyer is not in default under the Conditional Sale Agreement or under this Agreement and Assignment, that (1) it will not consider the Cars as being subject to the default remedies available to it under the Master Agreement or the Security Agreement; (2) it will not attempt to obtain possession of or title to the Cars or otherwise interfere with the Buyer's full, complete and quiet possession and enjoyment of the Cars; (3) it will continue to accept all payments from the Buyer, in accordance with Paragraph 2 of this Assignment and Agreement and, (4) upon completion of Buyer's obligations under the Conditional Sale Agreement and under this Agreement and Assignment, it will release all of its right, title and interest in and to the Cars, as provided in Paragraph 3 of this Agreement and Assignment.

5. The Buyer shall file and record the Conditional Sale Agreement and this Agreement and Assignment with the Interstate Commerce Commission in accordance with 49 U.S.C. § 11303.

6. The Trustee may assign all or any of its rights under the Conditional Sale Agreement, including the right to receive any payments due or to become due to it from the Buyer thereunder. In the event of any such assignment, any such subsequent or successive assignee or assignees shall, to the extent of such assignment, enjoy all the rights and privileges of the Trustee hereunder; provided, however, that no such assignment shall adversely affect the rights and privileges of the Buyer set forth in Paragraphs 3 and 4 hereof.

7. The terms of this Agreement and Assignment and all rights and obligations hereunder shall be governed by the laws of the Commonwealth of Pennsylvania, without regard to its conflicts of law doctrine; provided, however, that the parties shall be entitled to all rights conferred by 49 U.S.C. § 11303.

8. This Agreement and Assignment may be executed in any number of counterparts and by different parties hereto in separate counterparts, but the counterpart delivered to the Trustee shall be deemed to be the original counterpart.

IN WITNESS WHEREOF, the parties have caused this Agreement and Assignment to be executed and delivered by their duly authorized officers, all as of the date first above written.

THE PITTSBURGH AND LAKE ERIE RAILROAD
COMPANY

By Gordon E. Henschewski
President

THE CONNECTICUT NATIONAL BANK, as Security
Trustee

By _____
Title:

CSX TRANSPORTATION, INC.


By Richard L. Heatherwood
President and Chief Executive Officer of
CSX Equipment, a business unit of
CSX Transportation, Inc.

IN WITNESS WHEREOF, the parties have caused this Agreement and Assignment to be executed and delivered by their duly authorized officers, all as of the date first above written.

THE PITTSBURGH AND LAKE ERIE RAILROAD
COMPANY

By _____
President

THE CONNECTICUT NATIONAL BANK, as Security
Trustee

By  _____
Title: Vice President

CSX TRANSPORTATION, INC.

By _____
President and Chief Executive Officer of
CSX Equipment, a business unit of
CSX Transportation, Inc.

COMMONWEALTH OF PENNSYLVANIA)
) SS
COUNTY OF ALLEGHENY)

On this 6th day of November, 1987, before me, the subscriber, KATHLEEN G. CAVANAUGH, a Notary Public, duly commissioned, qualified and acting, within and for said County and State, appeared in person the within named Gordon E. Neuenschwander to me personally known, who stated and acknowledged that he is the President of The Pittsburgh and Lake Erie Railroad Company, a Delaware corporation, and duly authorized by authority of the board of directors or the by-laws of said corporation in his capacity as such officer to execute and acknowledge the foregoing instrument for and in the name and on behalf of said corporation and further stated and acknowledged that he has so signed, executed and delivered the foregoing instrument as the free and voluntary act and deed of said corporation, for the consideration, uses and purposes therein mentioned and set forth and desired that the same might be recorded as such.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal this 6th day of November, 1987.

Kathleen J. Quanaugh

My commission expires: Sept 1990

KATHLEEN G. CAVANAUGH, NOTARY PUBLIC
PITTSBURGH, ALLEGHENY COUNTY
MY COMMISSION EXPIRES SEPT. 1, 1990
Member, Pennsylvania Association of Notaries

STATE OF CONNECTICUT)
) SS
COUNTY OF HARTFORD)

On this 5th day of November, 1987, before me, the subscriber, Susan C. Chadbourne, a Notary Public, duly commissioned, qualified and acting, within and for said County and State, appeared in person the within named MICHAEL M. HOPKINS to me personally known, who stated and acknowledged that he is a Vice President of The Connecticut National Bank, a national banking association, and duly authorized by authority of the board of directors or the by-laws of said association in his capacity as such officer to execute and acknowledge the foregoing instrument for and in the name and on behalf of said association and further stated and acknowledged that he has so signed, executed and delivered the foregoing instrument as the free and voluntary act and deed of said association, for the consideration, uses and purposes therein mentioned and set forth and desired that the same might be recorded as such.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal this 5th day of November, 1987.

Susan C. Chadbourne

SUSAN C. CHADBOURNE
NOTARY PUBLIC

My commission expires: MY COMMISSION EXPIRES MARCH 31, 1990

STATE OF MARYLAND)
) SS
CITY OF BALTIMORE)

On this 3rd day of November, 1987, before me, the subscriber, Patricia L. Lewis, a Notary Public, duly commissioned, qualified and acting, within and for said County and State, appeared in person the within named Richard L. Leatherwood to me personally known, who stated and acknowledged that he is the President and Chief Executive Officer of CSX Equipment, a business unit of CSX Transportation, Inc., a Virginia corporation, and duly authorized by authority of the board of directors or the by-laws of said corporation in his capacity as such officer to execute and acknowledge the foregoing instrument for and in the name and on behalf of said corporation and further stated and acknowledged that he has so signed, executed and delivered the foregoing instrument as the free and voluntary act and deed of said corporation, for the consideration, uses and purposes therein mentioned and set forth and desired that the same might be recorded as such.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal this 3rd day of November, 1987.

Patricia L. Lewis

My commission expires: JUL 1 1990